

# **Corpus Christi Tax Increment Reinvestment Zone #3 – Project & Financing Plan Update**



July 28, 2015



# City Council Priority #3

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- 1) **Urban Infill & Adaptive Reuse**
  - 2) **Downtown Revitalization**
    - 1) **Well Designed, Tailored Incentives**
    - 2) **Homeless & Housing Policies**
    - 3) **Incentive for Mixed Use Development (TIF Gap)**
  - 3) Create Policies that Shape Economy & Target Desired Business Niches
  - 4) Policy Alignment with EDC & Type A Board
  - 5) **Retain & Grow Existing Businesses**
  - 6) **Develop Area Specific Plans & Explore Tools**
  - 7) **Predictable, Consistent Incentive Matrix**
  - 8) Bringing New Businesses to District 3
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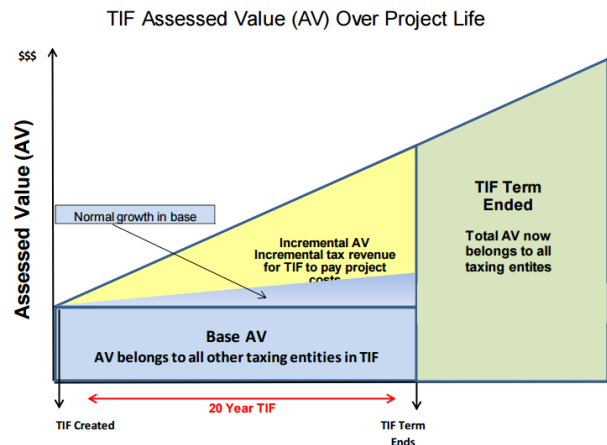
# TIF Fundamentals

A Tax Increment Reinvestment Zone (TIRZ) also known as a Tax Increment Finance (TIF) District is:

- Funding mechanism used to achieve economic development goals
- Tool established by Texas legislature in 1987.
- Widely used throughout Texas

## Participation

Corpus Christi	100%
Nueces County	100%
Del Mar College	100%



Shows normal or market driven portion of TIF growth versus total including developer's investment



# Recap of Action to Date

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December 16, 2008	Ord 027996	Create TIRZ #3
April 28, 2009	Ord 028136*	Expanded Boundaries
March 2, 2012	Ord 029403*	Corrected Term Date
September 16, 2014	Ord 030286*	Corrected Board
December 9, 2014		Initial TIRZ Meeting

*\*Amending 027996*

- Market & Economic Feasibility Study (Aug 2008)
  - Draft Preliminary Project Plan & Financing Plan (Oct 2008)
  - Draft Preliminary Project Plan & Financing Plan (April 2009)
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# Criteria for Zone Creation

(From Tax Code Ch. 311)

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*But For* the TIF subsidy, economic development would not occur at proposed level solely from private investment in the reasonably foreseeable future.

Conditions which qualify for creation of a Zone include:

- Substandard, slum or deteriorating structures;
  - Predominance of defective or inadequate sidewalk or street layout;
  - Unsanitary or unsafe conditions;
  - Deterioration of site or other improvements; and
  - Conditions that endanger life or property by fire or other cause.
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# Consistent Vision for Downtown

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“Downtown Corpus Christi is a safe, clean, pedestrian friendly community comprised of a central business district, arts and culture, sports and entertainment areas.

This unique vibrant waterfront community will provide local residents, tourists and families’ opportunities to enjoy fine restaurants, shops and residential facilities.”

- 2006 Downtown Redevelopment Report



# Anticipated Role in Improvements






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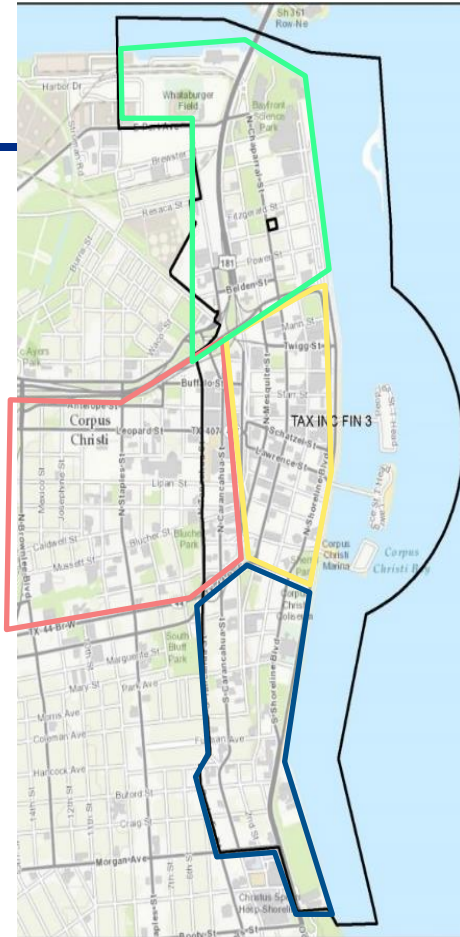
The primary functions of TIRZ #3 will be

- To Support Private Sector Development & Investment
- To Plan & Construct Public Improvements
- To Provide Revitalization Focused Programs & Services



# Where is the TIRZ?

- TIRZ Boundary 
- SEA District 
- Uptown 
- Marina Arts District (DMD) 
- Bayshore Park 







# Proposed Projects & Initiatives

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- 1) Administrative & Professional Services
  - 2) Chaparral Street Property Improvement Program
  - 3) Downtown Living Initiative
  - 4) New Commercial Tenant Finish Out
  - 5) Project Specific Developer Assistance
  - 6) Site Assembly & Development
  - 7) Parking Coordination
  - 8) Traffic Patterns & Streetscapes
  - 9) Other Programs & Initiatives
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# Financing Plan

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Costs will be incurred over the life of the Zone based on the Board's identification of priority activities or projects. Financing will be based on available revenues to sustain pay-as-you-go projects.



# Proposed Projects & Initiatives

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## 1) Administrative & Professional Services

- Up to \$50,000 Annually
- Includes Legal Services & Consulting Services



# Proposed Projects & Initiatives

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## 2) Chaparral Street Property Improvement Program

- 3 Year Program, FY 2016-2019
- \$200,000 Annually
- Up to 50% Match
- Continue focused investment started with Chaparral Phase I



# Proposed Projects & Initiatives

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## 3) Downtown Living Initiative

- 3 Year Program, FY 2016-2019
- Developer Incentive, \$10,000 per Unit
- Minimum 10 Units to Qualify
- Annual Allocation for 100 Units per Year
- (Customizable over 100 Units)



# Proposed Projects & Initiatives

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## 4) New Commercial Tenant Finish Out

- 3 Year Program, FY 2016-2019
- \$100,000 Annually
- Up to \$10/Sq Ft
- Dining, Entertainment or Mixed Use
- Reimburse Tenant, Approval from Landlord



# Proposed Projects & Initiatives

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## 5) Project Specific Developer Assistance

- Up to 75% of 10 Year Reimbursement
- Minimum 10,000 Sq. Ft or 25 Residential Units
- 3<sup>rd</sup> Party Evaluation of Pro-Forma
- Qualifying Categories:
  - Environmental Remediation/Code Compliance
  - Historic Preservation
  - Structured Parking
  - Urban Design/Landscaping
  - Public Improvements/Utilities



# Proposed Projects & Initiatives

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## 6) Site Assembly & Development

## 7) Parking Coordination

- FY 2016 – Undertake Parking Study
- Create diverse access to 13,000+ spaces

## 8) Traffic Patterns & Streetscapes

- Traffic Pattern Analysis – One Way to Two Way
- Minor Streetscape/Lighting Improvements

## 9) Other Programs & Initiatives

- Special Services for the Zone
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# Projected Budget

FY	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Year	2014	2015	2016	2017	2018
Beginning Balance	\$ 1,563,751	\$ 2,328,724	\$ 1,739,164	\$ 1,602,169	\$1,813,696
+ New Increment <sup>3</sup>	789,973	1,010,440	1,213,005	1,561,527	1,839,468
1 Administration	25,000	50,000	50,000	50,000	50,000
2 Chaparral St. Grant Program		200,000	200,000	200,000	
3 Downtown Living Initiative <sup>1</sup>		1,000,000	1,000,000	1,000,000	
4 New Tenant Finish Out - Entertainment		100,000	100,000	100,000	
5 Project Specific Developer Assistance <sup>2</sup>	TBD	TBD	TBD	TBD	TBD
6 Site Assembly & Development					
7 Parking		100,000			
8 Traffic Analysis & Upgrades		150,000			
9 Programs & Initiatives					
Expenditure Totals	25,000	1,600,000	1,350,000	1,350,000	50,000
<b>TIRZ Ending Balance</b>	<b>2,328,724</b>	<b>2,529,137</b>	<b>3,402,581</b>	<b>4,827,114</b>	<b>8,178,109</b>

1 Grant Reimbursed upon completion of development.

2 Incentive available will be based on the amount of investment and increment generated by private sector.

3 Increment Projection developed by CCREDC, on-going monitoring will be required.



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# Discussion